Celerian Consulting

LaGov
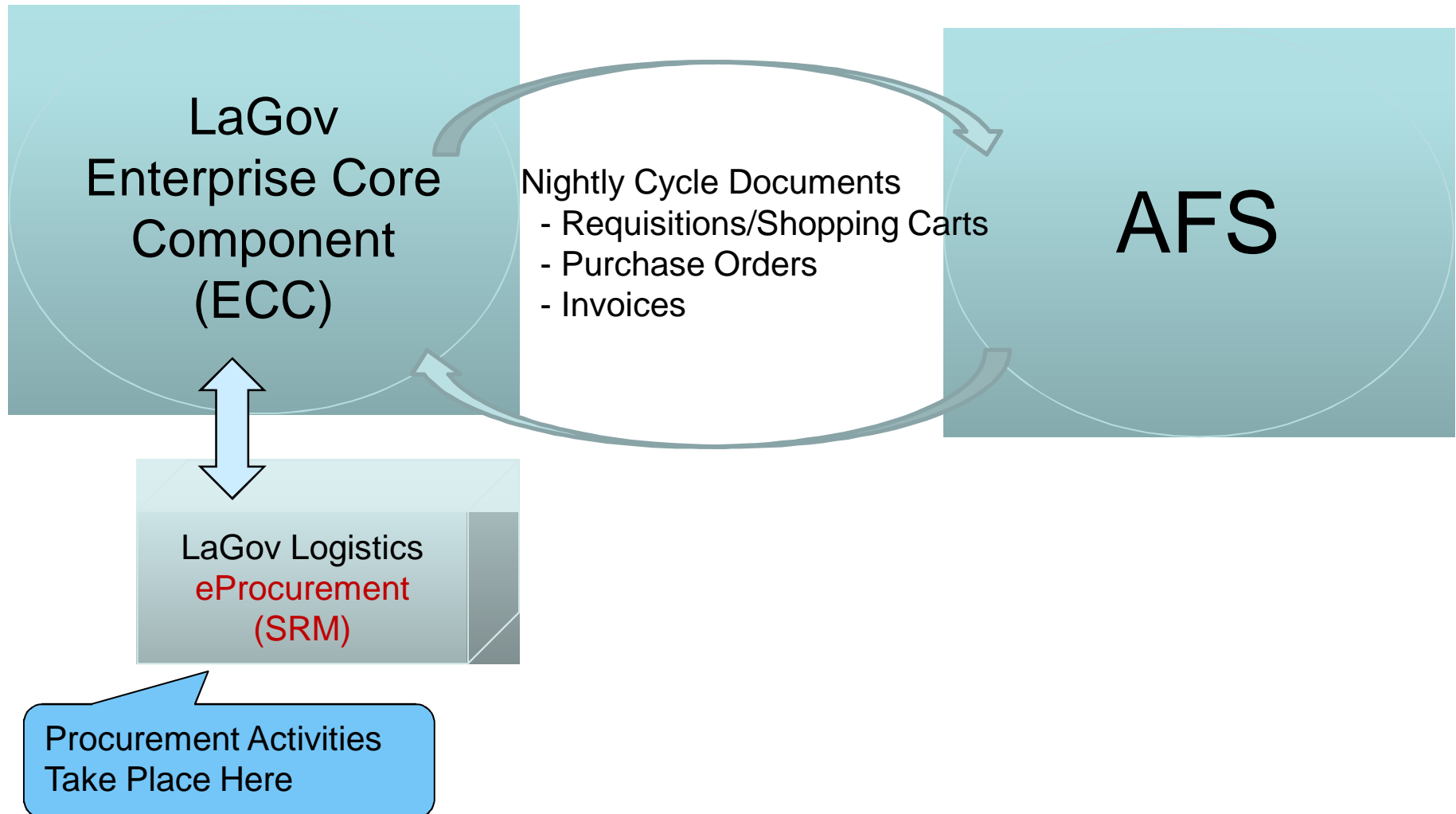
Process Review Session
Accounts Payable
October 2014

- Purpose & Project Fundamentals
- Integration Overview
- Procure to Pay Process Overview
- AFS / SAP Coding block Overview
- Vendor Master Data – Key Design Elements
- Business Processes – Key Design Elements
  - Vendor Master Maintenance
  - Invoicing
  - Payments
  - Retainage & Liens
- Reporting
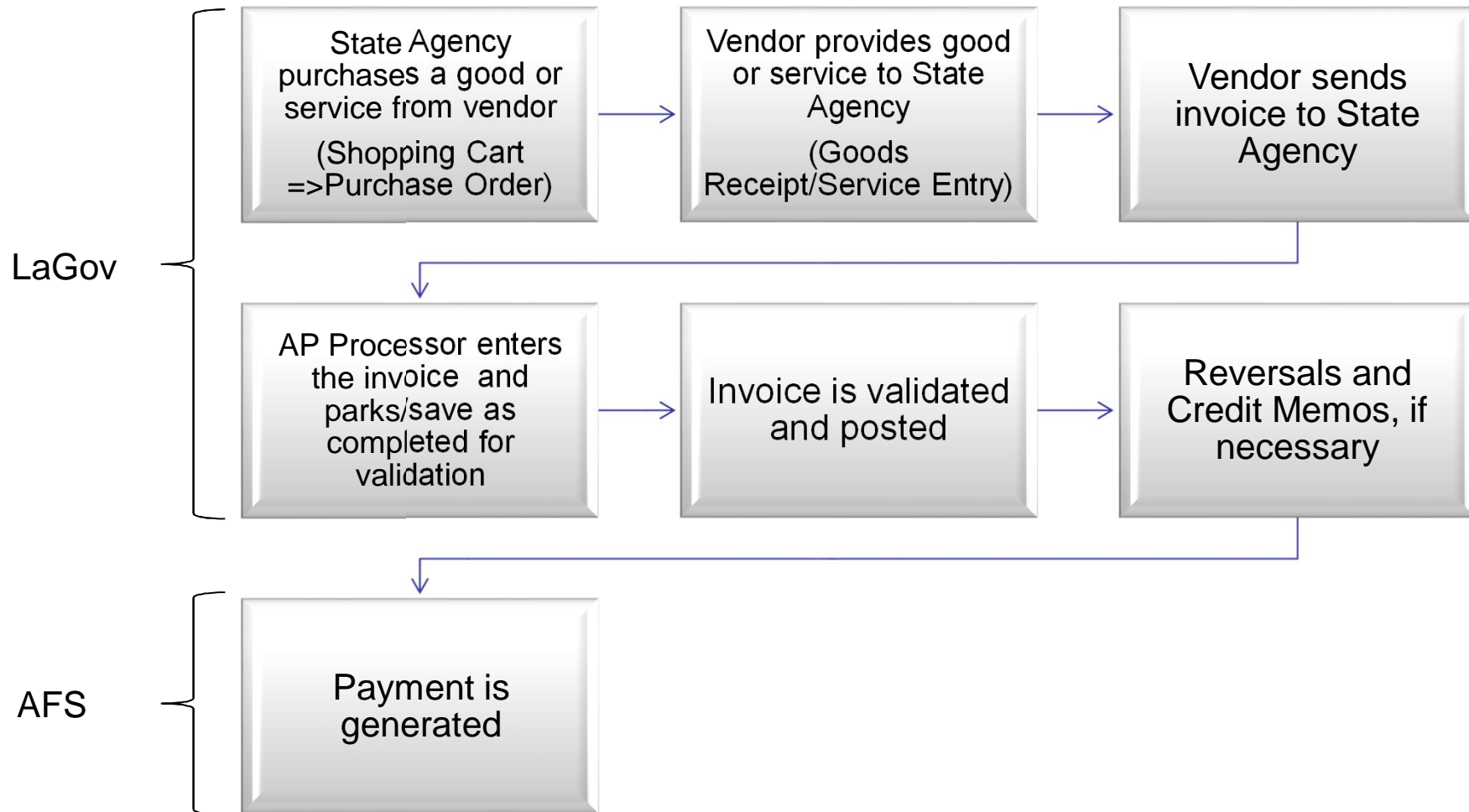- Conversion Strategy
- System Demo
- Questions

Purpose of Process Review Sessions

- Process Review Sessions are intended to:

    - Review system processes
        - Highlight decisions that define the process, approval steps, and integration points

    - Review/Highlight key system features

    - Identify areas of changing process, roles, and responsibilities

Project Fundamentals

- ▪ System is already built and proven
- ▪ Procurement and Accounts Payable business processes have now been used by multiple Agencies
- ▪ Standardized Statewide business processes
- ▪ Key project tasks include:
  - – Building required interfaces to AFS system
  - – Vendor conversion
  - – Design/Build/Implement non-state procurement process
  - – Business Readiness/Training
- ▪ Leverage existing financial work done for Payroll
  - – Financial dimensions already exist in LaGov
    - • objects, sub objects, expenditure orgs, reporting categories
  - – Interfaces create new dimensions and update existing as required

LaGov
Enterprise Core
Component
(ECC)

Nightly Cycle Documents
- Requisitions/Shopping Carts
- Purchase Orders
- Invoices

AFS

LaGov Logistics
eProcurement
(SRM)

Procurement Activities
Take Place Here

LaGov

- State Agency purchases a good or service from vendor (Shopping Cart =>Purchase Order)
- Vendor provides good or service to State Agency (Goods Receipt/Service Entry)
- Vendor sends invoice to State Agency
- AP Processor enters the invoice and parks/save as completed for validation
- Invoice is validated and posted
- Reversals and Credit Memos, if necessary

AFS

- Payment is generated

Coding Block Overview

AFS Field	LaGov Field	AFS Example	LaGov Example	LaGov Example
Agency	Business Area	107	107	
Object	General Ledger Account	3310	3310	Identical
Expenditure Org	Cost Center	1001	1071001	Agency # first 3 digits of LaGov Cost Center
Reporting Category	Fund	H2HP	107H2HP	Agency # first 3 digits of LaGov Fund If no entry will default to 'N/A'
Sub Object	Funds Center	AA	AA	If no entry will default to '//'
Activity	WBS Element	KATR	KATR	KATR
Budget Fiscal Year – Capital	TBD	'14'	'14'	LaGov will design solution for capturing this field
Capital Appropriation	TBD	'001'	'001'	LaGov will design solution for capturing this field
Capital Fund	TBD	'055'	'055'	LaGov will design solution for capturing this field
Job Number	TBD	00026RRA	00026RRA	LaGov will design solution for capturing this field

Vendor Master Record

Vendor Master Record - Defined

- Information about the vendors that supply the State is stored in the Vendor master records.

- A vendor master record contains the vendor's name and address, as well as data such as:

  - Terms of payment (note – terms of payment not applicable since AFS terms of payment will be used)

  - Names of important contact persons (sales staff)

  - Accounting information, such as the relevant control account in the general ledger.

Vendor Master Record - Views

View	Definition	Examples of Data
General view	Data that supports all transactions	Name, Address Phone, Fax, Tax ID, Contacts
Company Code view	Data that supports Accounting-related transactions	GL Reconciliation Account, Payment Terms, Payment Methods, Banking info, 1099 info
Purchasing view	Data that supports Purchasing-related transactions	Inco Terms, Payment Terms, Partner Functions

Display Vendor: Initial Screen

Vendor	310002432 TECH DEPOT INC
Company Code	0010 LAGOV
Purch. Organization	0010 PCC Purch. Org.

General data
- ☐ Address
- ☐ Control
- ☐ Contact Persons

Company code data
- ☐ Accounting info
- ☐ Payment transactions
- ☐ Correspondence
- ☐ Withholding tax

Purchasing organization data
- ☐ Purchasing data
- ☐ Partner functions

Vendor Master Record - Numbering

Area	Acct Group	Description	No. Range
Accounts Payable	**VN**	AP/PUR Vendors	310000000-318999999	← main vendor
Purchasing	**SRM**	Purchase Order Address Vendor	410000000-419999999	← remit – to *

* Remit – to is a separate vendor master record and is associated with the main vendor using LaGov's partnering Function →

Vendor	310002432	TECH DEPOT INC		Trumbull
Purchasing Org.	0010	PCC Purch. Org.		

Partner Functions

Partner function	Name	Number	Name
AZ	A.payment recipient	410000088	TECH DEPOT INC
OA	Ordering Address	310002432	TECH DEPOT INC
VN	Vendor	310002432	TECH DEPOT INC
IP	Invoice presented by	310002432	TECH DEPOT INC

Vendor Master Record Maintenance Process

Vendor Master Record- Registration

- Vendors register with the State through the vendor portal, and provide relevant details.
- Vendors register as either a (1) bidding vendor or (2) non-bidding vendor.
- If registered as a bidding vendor, once an RFX is awarded, the vendor master is created in ECC.
  - The record is blocked until a W-9 is submitted.
  - Once submitted, the block is lifted by OSRAP.
- If registered as a non-bidding vendor, master records are created in ECC immediately and blocked.
  - OSRAP solicits W-9 once the master record is created.
- After registering, vendors can perform maintenance activities on their Vendor record. These activities can include:
  - Creating additional contact persons.
  - Changing contact information.
  - Updating their commodity selections.
  - Remit To Address: If a Remit To address was not added during registration, it can be added only once through the portal. Once added, it cannot be changed by the vendor (OSRAP will have to change).

Vendor Master Record Maintenance

- Some vendor master record maintenance activities are performed by OSRAP. These include:
  - Updating payment details (e.g., from check to EFT).
  - Name Changes
  - Setting the Auditor Non-Compliance flag.
- End-users will have limited display access to the master record and related master data reports for protection of security-sensitive information (e.g., bank details and tax ID number).
- Process for creating and maintaining vendors in AFS will be determined later
- LaGov vendors will be 'linked' to AFS vendors for purposes of interfacing

Invoicing Process

Invoicing – Park/Post

- LaGov 'Park/Post' functionality is used to process all invoices.
- The objective of the Park/Post process is to ensure that adequate review and approvals are obtained prior to posting an invoice and paying a vendor.

LaGov Term	Definition
Park	- Holds the invoice to be validated. - Parked documents can be completed, changed, deleted, or posted in the future. - Document does not have to be complete from a data entry standpoint (coding, etc.)
Save as completed	- Saves the document as complete and ready for manager's approval. - Invoice can be changed or deleted. - Document must be complete from a data entry standpoint (coding, etc.)
Post	- Validates vendor document information and clears the document for payment. - Once posted, invoice is ready to be sent to AFS.

Logistics Invoice Verification - Key Terms

LaGov Term	Definition
2-way match ('IR' based Invoice Verification)	Validation used on invoices that supports Purchase Orders and does not require a Goods Receipt.
3-way match ('GR' based Invoice Verification)	Functionality that validates the Vendor Invoice amount and quantity with the corresponding Purchase Order and Goods Receipt information.
Service based Invoice Verification	In service-based invoice verification, the quantities and values of services performed and ordered to date are available for checking purposes.
Invoice Block	System status that is applied to documents that violate the invoice verification process. Blocked invoices are listed in "open item" status but are not selected for payment.
Variance	The difference (price or quantity) that an invoice varies from the Purchase Order and/or Goods Receipt
Tolerances	Tolerances are the amount by which an invoice variance may exceed the designated price or quantity limit ▪ In LaGov, price tolerance is zero. Any price variance will result in the invoice being blocked from payment (can be unblocked with a subsequent process) ▪ In LaGov, quantity tolerance is zero. Any quantity difference cannot be posted

Payments

- Payments will be made in AFS

- AFS process will remain the same (schedule, etc.)

- Vendor 1099's will continue to be issued from AFS

- LaGov will interface the invoice details necessary to facilitate:

    – scheduled payment date

    – single check override (vs. consolidated)

    – discounts if applicable

Retainage

Retention amounts/percentages are entered in Procurement
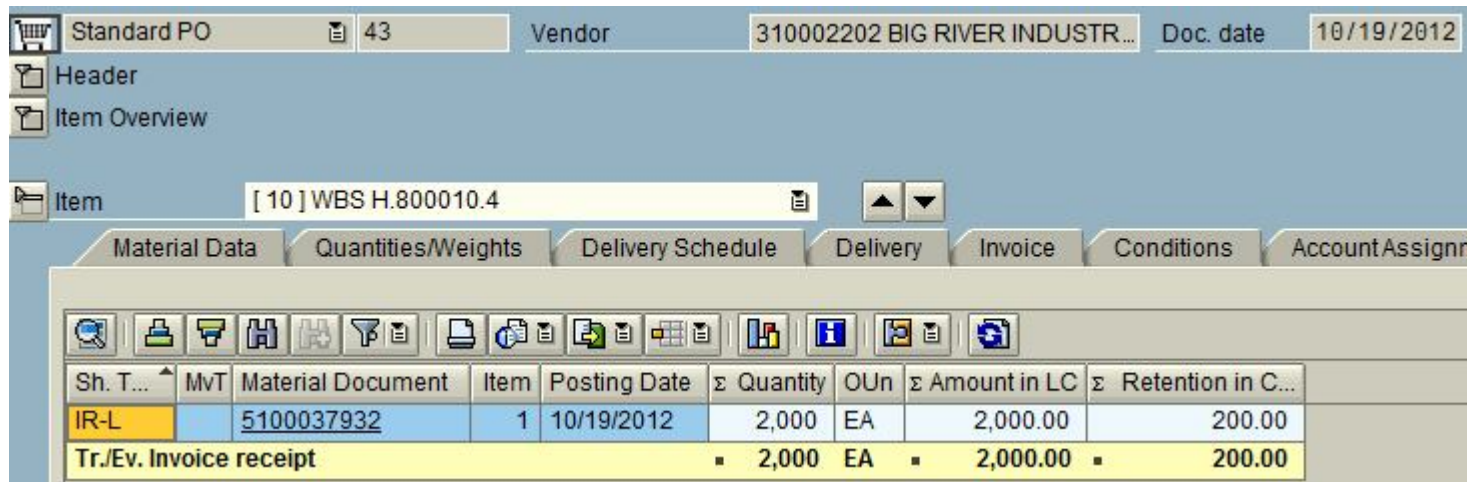
PO History after Invoice Receipt

Retainage Process – Invoice Documents

2 Financial Documents are automatically posted when invoice with retention is posted.

Data Entry View

Document Number	5100037932
Document Date	10/19/2012
Reference	1122
Currency	USD

Company Code	0010
Posting Date	10/19/2012
Cross-Comp.No.	
Texts exist	☐

Fiscal Year	2013
Period	4
Ledger Group	

Account	Description	Amount	BusA	Fund	Cost Center
310002202	BIG RIVER INDUSTRIES INC	2,000.00-	270		
5710143	DOTD UTILITY RELOCTN	2,000.00	270	C511040001	270TF0H000

Expense recorded at gross amount

Data Entry View

Document Number	6900003639
Document Date	10/19/2012
Reference	1122
Currency	USD

Company Code	0010
Posting Date	10/19/2012
Cross-Comp.No.	
Texts exist	☐

Fiscal Year	2013
Period	4

Vendor payable reduced by retention amount and held in Retainage Payable

...	Account	Description	Amount	BusA	Fund
	310002202	BIG RIVER INDUSTRI...	200.00		
R	310002202	BIG RIVER INDUSTRI...	200.00-	270	

	Doc.	6900003639	FiscalYear

...	Account	Description	Amount
	2110010	ACCOUNTS PAYABLE	200.00
R	2220600	RETAINAGE PAYABLE	200.00-

GL View

Liens

- Tax Liens will be handled in AFS using the current process

Reporting

Reporting

- LaGov has numerous standard and custom reports to accommodate Agency requirements.

- Interface Error Reports: will facilitate corrective action to be taken by Agency personnel:
  - coding errors
  - budget errors

Conversion Strategy

Conversion Strategy

<u>*Vendor Master Records*</u>

- The LaGov Team will:
  - retrieve your department vendor data from AFS and convert in ECC.
  - have vendors complete the registration via Supplier Self-Services (SuS) for needed data that is not in AFS.

System Demo

- Vendor Master Records
- Invoice Entry
- Vendor Line Item Display
- List of parked documents

LaGov